

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED MARCH 31, 2002

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

AS OF MARCH 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | MARCH 2002 | MARCH 2001 |
|-------------|--|---------------|---------------|
| | ASSETS | | |
| | Current Assets: | | |
| 1 | Cash and Cash Equivalents..... | 43,265 | 34,020 |
| 2 | Short-Term Investments..... | - | - |
| 3 | Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, \$10,082; 2001, \$9,087)..... | 19,049 | 22,231 |
| 4 | Inventories..... | 4,847 | 5,011 |
| 5 | Prepaid Expenses and Other Current Assets..... | 6,351 | 2,620 |
| 6 | Total Current Assets..... | 73,512 | 63,882 |
| 7 | Investments, Advances, and Receivables - CRDA..... | 15,620 | 16,293 |
| 8 | Property and Equipment - Gross..... | 1,087,600 | 1,069,597 |
| 9 | Less: Accumulated Depreciation and Amortization..... | (219,985) | (188,426) |
| 10 | Property and Equipment - Net..... | 867,615 | 881,171 |
| 11 | Other Assets..... NOTE 3..... | 80,580 | 61,385 |
| 12 | Total Assets..... | 1,037,327 | 1,022,731 |
| | LIABILITIES AND EQUITY | | |
| | Current Liabilities: | | |
| 13 | Accounts Payable..... | 17,403 | 18,518 |
| 14 | Notes Payable..... | - | - |
| | Current Portion of Long-Term Debt: | | |
| 15 | Due to Affiliates..... | - | - |
| 16 | Other..... NOTE 2..... | 2,321 | 1,416 |
| 17 | Income Taxes Payable and Accrued..... | - | - |
| 18 | Other Accrued Expenses..... | 23,907 | 27,101 |
| 19 | Other Current Liabilities..... | 7,414 | 8,675 |
| 20 | Total Current Liabilities..... | 51,045 | 55,710 |
| | Long-Term Debt: | | |
| 21 | Due to Affiliates..... NOTE 2..... | 800,000 | 800,000 |
| 22 | Other..... NOTE 2..... | 4,880 | 2,333 |
| 23 | Deferred Credits..... | - | - |
| 24 | Other Liabilities..... | 4,053 | 1,735 |
| 25 | Commitments and Contingencies..... NOTE 5..... | | |
| 26 | Total Liabilities..... | 859,978 | 859,778 |
| 27 | Stockholders', Partners', or Proprietor's Equity..... | 177,349 | 162,953 |
| 28 | Total Liabilities and Equity..... | 1,037,327 | 1,022,731 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

11/14/03

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | 2002 (c) | 2001 (d) |
|--------------------------|--|-------------|-------------|
| REVENUE: | | | |
| 1 | Casino..... | 129,925 | 119,435 |
| 2 | Rooms..... | 7,917 | 7,525 |
| 3 | Food and Beverage..... | 13,420 | 13,155 |
| 4 | Other..... | 5,004 | 3,579 |
| 5 | Total Revenue..... | 156,266 | 143,694 |
| 6 | Less: Promotional Allowances..... NOTE 3..... | 31,408 | 30,822 * |
| 7 | Net Revenue..... | 124,858 | 112,872 |
| COSTS AND EXPENSES: | | | |
| 8 | Cost of Goods and Services..... | 70,884 | 71,359 |
| 9 | Selling, General and Administrative..... NOTE 3..... | 18,165 | 16,231 * |
| 10 | Provision for Doubtful Accounts..... | 632 | 744 |
| 11 | Total Costs and Expenses..... | 89,681 | 88,334 |
| 12 | Gross Operating Profit..... | 35,177 | 24,538 |
| 13 | Depreciation and Amortization..... | 8,806 | 8,525 |
| | Charges from Affiliates Other than Interest..... | - | - |
| 14 | Management Fees..... | - | - |
| 15 | Other..... NOTE 4..... | 1,390 | 1,755 |
| 16 | Income (Loss) from Operations..... | 24,981 | 14,258 |
| Other Income (Expenses): | | | |
| 17 | Interest Income (Expense) - Affiliates..... NOTE 2..... | (23,136) | (23,213) |
| 18 | Interest Income (Expense) - External..... NOTE 2..... | (181) | (49) |
| 19 | Investment Alternative Tax and Related Income (Expense) - Net..... | (717) | (607) |
| 20 | Nonoperating Income (Expense) - Net..... | 78 | 242 |
| 21 | Total Other Income (Expenses)..... | (23,956) | (23,627) |
| 22 | Income (Loss) Before Income Taxes and Extraordinary Items..... | 1,025 | (9,369) |
| 23 | Provision (Credit) for Income Taxes..... | - | - |
| 24 | Income (Loss) Before Extraordinary Items..... | 1,025 | (9,369) |
| 25 | Extraordinary Items (Net of Income Taxes- 2002. \$ ____ ; 2001. \$ ____)..... | - | - |
| 26 | Net Income (Loss)..... | 1,025 | (9,369) |

* Reclassification to conform to current year presentation.

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TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

| Line (a) | Description (b) | Common Stock | | Preferred Stock | | Additional Paid-In Capital (g) | | Retained Earnings (Accumulated) (Deficit) (i) | Total Stockholders' Equity (Deficit) (j) |
|-------------|--------------------------------------|---------------|---------------|-----------------|---------------|---|----|---|--|
| | | Shares (c) | Amount (d) | Shares (e) | Amount (f) | | | | |
| 1 | Balance, December 31, 2000..... | | \$ | | \$ | \$ | \$ | \$ | \$ |
| 2 | Net Income (Loss) - 2001..... | | | | | | | | |
| 3 | Contribution to Paid-in-Capital..... | | | | | | | | |
| 4 | Dividends..... | | | | | | | | |
| 5 | Prior Period Adjustments..... | | | | | | | | |
| 6 | ..... |  |  |  |  |  |  |  |  |
| 7 | ..... |  |  |  |  |  |  |  |  |
| 8 | ..... |  |  |  |  |  |  |  |  |
| 9 | ..... |  |  |  |  |  |  |  |  |
| 10 | Balance, December 31, 2001..... | | | | | | | | |
| 11 | Net Income (Loss) - 2002..... | | | | | | | | |
| 12 | Contribution to Paid-in-Capital..... | | | | | | | | |
| 13 | Dividends..... | | | | | | | | |
| 14 | Prior Period Adjustments..... | | | | | | | | |
| 15 | ..... |  |  |  |  |  |  |  |  |
| 16 | ..... |  |  |  |  |  |  |  |  |
| 17 | ..... |  |  |  |  |  |  |  |  |
| 18 | ..... |  |  |  |  |  |  |  |  |
| 19 | Balance, March 31, 2002..... | | \$ | | \$ | \$ | \$ | \$ | \$ |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001
AND THE THREE MONTHS ENDED MARCH 31, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

| Line (a) | Description (b) | Contributed Capital (c) | Accumulated Earnings (Deficit) (d) | (e) | Total Equity (Deficit) (f) |
|-------------|---------------------------------|-------------------------------|---|-------------|-------------------------------------|
| 1 | Balance, December 31, 2000..... | \$187,242 | (\$14,920) | | \$172,322 |
| 2 | Net Income (Loss) - 2001..... | - | 4,002 | | 4,002 |
| 3 | Capital Contributions..... | - | - | | - |
| 4 | Capital Withdrawals..... | - | - | | - |
| 5 | Partnership Distributions..... | | | | |
| 6 | Prior Period Adjustments..... | | | | |
| 7 | ..... |  |  |  |  |
| 8 | ..... |  |  |  |  |
| 9 | ..... |  |  |  |  |
| 10 | Balance, December 31, 2001..... | 187,242 | (10,918) | | 176,324 |
| 11 | Net Income (Loss) - 2002..... | - | 1,025 | | 1,025 |
| 12 | Capital Contributions..... | - | - | | - |
| 13 | Capital Withdrawals..... | - | - | | - |
| 14 | Partnership Distributions..... | | | | |
| 15 | Prior Period Adjustments..... | | | | |
| 16 | ..... |  |  |  |  |
| 17 | ..... |  |  |  |  |
| 18 | ..... |  |  |  |  |
| 19 | Balance, March 31, 2002..... | \$187,242 | (\$9,893) | \$0 | \$177,349 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | 2002 (c) | 2001 (d) |
|-------------|--|-------------|-------------|
| 1 | NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES..... | 5,476 | (2,889) |
| | CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| 2 | Purchase of Short-Term Investment Securities..... | - | - |
| 3 | Proceeds from the Sale of Short-Term Investment Securities..... | - | - |
| 4 | Cash Outflows for Property and Equipment..... | (2,153) | (1,654) |
| 5 | Proceeds from Disposal of Property and Equipment..... | - | - |
| 6 | Purchase of Casino Reinvestment Obligations..... | (1,579) | (1,567) |
| 7 | Purchase of Other Investments and Loans/Advances made..... | - | - |
| 8 | Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables..... | - | - |
| 9 | Cash Outflows to Acquire Business Entities..... | - | - |
| 10 | | - | - |
| 11 | | - | - |
| 12 | Net Cash Provided (Used) by Investing Activities..... | (3,732) | (3,221) |
| | CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| 13 | Cash Proceeds from Issuance of Short-Term Debt..... | - | - |
| 14 | Payments to Settle Short-Term Debt..... | - | - |
| 15 | Cash Proceeds from Issuance of Long-Term Debt..... | - | - |
| 16 | Costs of Issuing Debt..... | - | - |
| 17 | Payments to Settle Long-Term Debt..... | (545) | (330) |
| 18 | Cash Proceeds from Issuing Stock or Capital Contributions..... | - | - |
| 19 | Purchases of Treasury Stock..... | - | - |
| 20 | Payments of Dividends or Capital Withdrawals | - | - |
| 21 | | - | - |
| 22 | | - | - |
| 23 | Net Cash Provided (Used) by Financing Activities..... | (545) | (330) |
| 24 | Net Increase (Decrease) in Cash and Cash Equivalents..... | 1,199 | (6,440) |
| 25 | Cash and Cash Equivalents at Beginning of Period..... | 42,066 | 40,460 |
| 26 | Cash and Cash Equivalents at End of Period..... | 43,265 | 34,020 |
| | CASH PAID DURING PERIOD FOR: | | |
| 27 | Interest (Net of Amount Capitalized)..... | 33,931 | 28,549 |
| 28 | Income Taxes..... | - | - |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | 2002 (c) | 2001 (d) |
|-------------|---|-------------|-------------|
| | NET CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| 29 | Net Income (Loss)..... | 1,025 | (9,369) |
| | Noncash Items Included in Income and Cash Items Excluded from Income: | | |
| 30 | Depreciation and Amortization of Property and Equipment..... | 8,806 | 8,525 |
| 31 | Amortization of Other Assets..... | - | - |
| 32 | Amortization of Debt Discount or Premium..... | 636 | 713 |
| 33 | Deferred Income Taxes - Current..... | - | - |
| 34 | Deferred Income Taxes - Noncurrent..... | - | - |
| 35 | (Gain) Loss on Disposition of Property and Equipment..... | - | - |
| 36 | (Gain) Loss on Casino Reinvestment Obligations..... | 717 | 607 |
| 37 | (Gain) Loss from Other Investment Activities..... | - | - |
| 38 | Net (Increase) Decrease in Receivables and Patrons' Checks..... | 2,040 | (815) |
| 39 | Net (Increase) Decrease in Inventories..... | 162 | 327 |
| 40 | Net (Increase) Decrease in Other Current Assets..... | (3,512) | 476 |
| 41 | Net (Increase) Decrease in Other Assets..... | 210 | (221) |
| 42 | Net Increase (Decrease) in Accounts Payable..... | 1,060 | 1,895 |
| 43 | Net Increase (Decrease) in Other Current Liabilities Excluding Debt..... | (5,668) | (5,027) |
| 44 | Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt..... | - | - |
| 45 | ..... | - | - |
| 46 | ..... | - | - |
| 47 | Net Cash Provided (Used) by Operating Activities..... | 5,476 | (2,889) |

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

| | | | |
|----|--|---------|---------|
| | ACQUISITION OF PROPERTY AND EQUIPMENT: | | |
| 48 | Additions to Property and Equipment..... | 3,608 | 4,067 |
| 49 | Less: Capital Lease Obligations Incurred..... | (1,455) | (2,413) |
| 50 | Cash Outflows for Property and Equipment..... | 2,153 | 1,654 |
| | ACQUISITION OF BUSINESS ENTITIES: | | |
| 51 | Property and Equipment Acquired..... | - | - |
| 52 | Goodwill Acquired..... | - | - |
| 53 | Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment..... | - | - |
| 54 | Long-Term Debt Assumed..... | - | - |
| 55 | Issuance of Stock or Capital Invested..... | - | - |
| 56 | Cash Outflows to Acquire Business Entities..... | 0 | 0 |
| | STOCK ISSUED OR CAPITAL CONTRIBUTIONS: | | |
| 57 | Total Issuances of Stock or Capital Contributions..... | - | - |
| 58 | Less: Issuances to Settle Long-Term Debt..... | - | - |
| 59 | Consideration in Acquisition of Business Entities..... | - | - |
| 60 | Cash Proceeds from Issuing Stock or Capital Contributions..... | 0 | 0 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

1/14/03

REVISED

FOR THE THREE MONTH ENDED MARCH 31, 2002

| Line (a) | (b) | Promotional Allowances | | Promotional Expenses | |
|-------------|------------------|--------------------------------|-------------------------|--------------------------------|-------------------------|
| | | Number of Recipients (c) | Dollar Amount (d) | Number of Recipients (e) | Dollar Amount (f) |
| 1 | Rooms | 59,836 | \$ 5,307 | | |
| 2 | Food | 470,349 | 6,070 | | |
| 3 | Beverage | 1,561,012 | 2,518 | | |
| 4 | Travel | | | 19,087 | \$ 1,711 |
| 5 | Bus Program Cash | 153,779 | 2,194 | | |
| 6 | Other Cash Comps | 402,076 | 14,567 | | |
| 7 | Entertainment | 7,507 | 519 | 4,131 | 302 |
| 8 | Retail & Gifts | | | 51,048 | 1,903 |
| 9 | Parking | | | | |
| 10 | Other | 4,220 | 233 | 17,134 | 392 |
| 11 | Total | 2,658,779 | \$ 31,408 | 91,400 | \$ 4,308 |

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002
(Unaudited)

NOTE 1 - ORGANIZATION AND OPERATIONS

Trump Taj Mahal Associates ("Taj Associates") is 100% beneficially owned by Trump Atlantic City Associates ("Trump AC"). Trump AC is 100% beneficially owned by Trump Hotels & Casino Resorts Holdings, L.P. ("THCR Holdings") which is a 63.4% owned subsidiary of Trump Hotels & Casino Resorts, Inc. ("THCR"). In addition, Trump AC beneficially wholly owns Trump Plaza Associates ("Plaza Associates"), the owner and operator of the Trump Plaza Casino Hotel located in Atlantic City, New Jersey.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The industry in which the Taj Mahal operates is subject to intense competition and regulatory review.

The accompanying financial statements of Taj Associates have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying financial statements have been prepared by Taj Associates pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "Commission"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 2001 Quarterly Report as filed with the Commission.

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

The casino industry in Atlantic City is seasonal in nature; therefore, results of operations for the three months ended March 31, 2002 and 2001 are not necessarily indicative of the operating results for a full year.

NOTE 2 - LONG TERM DEBT

Long-term debt consists of the following:

| | <u>March 31,</u> <u>2002</u> | <u>March 31,</u> <u>2001</u> |
|-----------------------------------|---------------------------------|---------------------------------|
| Note Payable - Trump AC (a) | \$ 800,000,000 | \$ 800,000,000 |
| Other (b) | <u>7,201,000</u> | <u>3,749,000</u> |
| Total | 807,201,000 | 803,749,000 |
| Less: Current portion | <u>(2,321,000)</u> | <u>(1,416,000)</u> |
| | <u>\$ 804,880,000</u> | <u>\$ 802,333,000</u> |

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002
(Unaudited)

| | Three months ended March 31, 2002 | 2001 |
|--|--------------------------------------|----------------------|
| <u>Interest Expense - Affiliates</u> | | |
| Trump Atlantic City Associates (a) | \$ 22,500,000 | \$ 22,500,000 |
| Amortization - deferred loan costs (a) | 636,000 | 713,000 |
| Total | <u>\$ 23,136,000</u> | <u>\$ 23,213,000</u> |
| <u>Interest Expense - External</u> | | |
| Capital lease obligations | <u>\$ 181,000</u> | <u>\$ 49,000</u> |

(a) Trump AC together with Trump Atlantic City Funding Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued the Trump Atlantic City Mortgage Notes ("Trump AC Mortgage Notes") in the aggregate principal amount of \$1,200,000,000 which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semi-annually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates.

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$800,000,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes. Costs of \$29,467,000 associated with the issuance of the Trump AC Mortgage Notes are being amortized by Taj Associates using the effective interest method over the term of the Trump AC Mortgage Notes. Amortization is included in interest expense on the accompanying statement of operations and totaled \$636,000 and \$713,000 for the three months ended March 31, 2002 and 2001, respectively.

The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

(b) Interest on these capitalized leases are payable with interest rates ranging from 5.0% to 13.9%. The leases are due at various dates between 2002 and 2007 and are secured by the equipment financed.

The ability of Taj Associates to repay its long-term debt when due will depend on its ability to either generate cash from operations sufficient for such purposes or its ability to refinance such indebtedness. Cash flow from operations will not be sufficient to repay a substantial portion of the principal amount of the indebtedness upon maturity. The future operating performance of Taj Associates and its ability to refinance such indebtedness will be subject to the then prevailing economic conditions, industry conditions and numerous other financial, business and other factors, many of which are beyond the control of Taj Associates. There can be no assurances that the future operating performance of Taj Associates will be sufficient to meet these repayment obligations or that the general state of the economy, the status of the capital markets or the

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002
(Unaudited)

receptiveness of the capital markets to the gaming industry will be conducive to refinancing this debt or other attempts to raise capital.

Trump AC was seeking to refinance or modify the terms of the Trump AC Mortgage Notes. Trump AC has since terminated such efforts.

NOTE 3 -RECENT ACCOUNTING PRONOUNCEMENT

In January 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues within Issue No. 00-22, "Accounting for 'Points' and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future" ("EITF 00-22"). Application of EITF 00-22 is required for interim and annual periods ending after February 15, 2001. EITF 00-22 requires volume-based cash rebates to be classified as a reduction of revenue. Accordingly, such additional rebates of \$12,959,000 in the three months ended March 31, 2001 have been reclassified as promotional allowances. Taj Associates previously classified these expenditures as a selling, general and administrative expense. Prior period amounts have been reclassified to conform with the current presentation.

NOTE 4 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Donald J. Trump ("Trump") and entities that are wholly or partially owned by Trump. Amounts receivable from (owed to) are as follows:

| | March 31, 2002 | March 31, 2001 |
|-----------------------------------|----------------------|----------------------|
| Trump Castle Associates | \$ 618,000 | \$ 181,000 |
| Plaza Associates | 23,000 | (454,000) |
| Trump Administration | 4,021,000 | 3,480,000 |
| THCR | (982,000) | (854,000) |
| Trump AC | 65,989,000 | 45,813,000 |
| Trump Organization | — | 283,000 |
| | <u>\$ 69,669,000</u> | <u>\$ 48,449,000</u> |

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities owned by Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance, payroll costs, warehoused operating inventories and advertising as well as complimentary services offered to customers.

Trump Administration, a separate division of Taj Associates ("Trump Administration"), was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to, Plaza Associates, Trump's Castle Associates, L.P., a New Jersey limited partnership and operator of the Trump Marina Hotel Casino in Atlantic City, New Jersey ("Castle Associates") and Taj Associates. Charges from Trump Administration for the three months ended March 31, 2002 and 2001 were approximately \$1,390,000 and \$1,755,000 respectively.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002
(Unaudited)

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Taj Associates, its partners and certain of its employees are involved in various legal proceedings incurred in the normal course of business. In the opinion of management of Taj Associates, the expected disposition of these proceedings would not have a material adverse effect on Taj Associates' financial condition or results of operations.

Federal Income Tax Examination

Taj Associates is currently involved in an examination with the Internal Revenue Service concerning Taj Associates' federal partnership income tax returns for the tax years 1994 thru 1996. While any adjustment which results from this examination could affect Taj Associates' state income tax return, Taj Associates does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

